

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1034 - HB 1134

March 6, 2023

SUMMARY OF BILL AS AMENDED (004857): Clarifies the bond filing procedure for various county officials as well as the language pertaining to a county purchasing insurance in lieu of a bond. Standardizes the deadline for all bonds to be filed within 30 days after election or appointment. Removes the requirement for a county legislative body to approve an official bond or surety bond on or after July 1, 2023.

Deletes the Class C misdemeanor for failing to give notice of failure to file bond and for performing an official act before bond is approved. Adds a Class C misdemeanor for a person performing an official act as a notary public prior to filing bond.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed language clarifies the procedure for filing bond for the following county officials and employees: mayors, directors of accounts and budgets, purchasing agents, directors, sheriffs, coroners, constables, trustees, surveyors, registers, county clerks, assessors, chief administrative officers, and persons with the authority to administer state-shared funds or county highway and bridge funds.
- Various sections of Tennessee Code Annotated provide the bond requirements for the aforementioned county officials and employees. Clarifying this process will have no significant fiscal impact on local government.
- Tennessee Code Annotated § 8-19-101(e) requires county governments to either obtain and maintain blanket surety bond coverage for all county employees not covered by individual bonds or to obtain and pay the premiums of an insurance policy.
- The proposed legislation clarifies that a county may choose to obtain insurance in lieu of a bond. Such clarification will have no fiscal impact on local government.
- Standardizing the deadline for securing bond will have no significant fiscal impact on local government expenditures.
- Removing the requirement for a county legislative body to approve official bonds or surety bonds will have no significant impact on local government expenditures.
- Tennessee Code Annotated § 8-19-119 establishes that it is a Class C misdemeanor for a public officer to perform any official act before bond is approved.

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- It is assumed that notaries public already fall under Tenn. Code Ann. § 8-19-119 and, therefore, specifying that a notary public who performs an official act prior to filing bond commits a Class C misdemeanor will not result in any significant increase to the number of misdemeanor convictions.
- It is assumed that, on average, a person convicted of a Class C misdemeanor will not serve any time in jail.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is minimal due to defendants often not being able to pay them.
- Therefore, it can be reasonably assumed that deleting the Class C misdemeanors for failure to provide notice of failure to file bond and for performing an official act before bond is approved will not result in any significant decrease in local revenue from fines.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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